



Performance Review

PA002

Contact Shared Services at 1-888-500-5999 if you need assistance completing this form.

Employee Information

Name: Douglas W Baillie

Date: 12/20/99

Branch: Cincinnati

Department: Adm

Job Title: Reg Cgl-Prac Leader

Pay Band: 6

Employee Updated Date: 12/22/99

Measuring Results

Summarize achievements against goals. Indicate strengths and development needs, keeping in mind our commitment to results, customer focus, collaboration and learning.

Business Goals:

Both the Cincinnati branch and the Cincinnati region should come in between 1 and 3 points of the branch's and region's business plan. This is largely due to CID coming way off plan due to a more aggressive rate initiative and the requesting off a large amount of distressed business.

For the Cincinnati branch the new business should come very close to the business plan. The shortfall will be primarily from CID who took an unexpected harder line on new business. New business plans were exceeded in Casualty, DFI and EP. In addition to this, the Cincinnati branch and region exceeded the additional ER new business goal.

The Cincinnati branch will only be about \$1,000,000 off in excess of our expected loss business. This was due to the requested removal of certain SIC codes and distressed business that was not anticipated in the planning process. We will be aggressively getting off of more CID business in the year 2000.

An excellent job is being done on the rate initiative. We will be well over plan for CID for the entire region. The Cincinnati branch rate will be over 5% combined for all lines. Both Indianapolis and Columbus CID are among the top in the nation. We should be very close to having the highest CID regional rate increase in the country.

Commission is currently at 12.5% on a year-to-date plan of 12.2%. DFI is significantly off due to poor budgeting process and not fully anticipating the impact of BancOne. Casualty is off by 1 point due to some new business opportunities that were written. All other departments are on line or under. The Cincinnati Region is at 12.6% on a plan of 12.4%.

Risk selection is being aggressively managed to ensure profitability by increasing rate and aggressively getting off of distressed business. More must be done on this in the year 2000.

The region is at the loss ratio of 55% ex-cat. The branch is at a 60% loss ratio ex-cat, largely due to the college program which we are now off of.

Controllable Expenses should be below 5% by year-end. The region will have spent over \$300,000 less than was spent the prior year. However, the region will also be more than \$300,000 over the plan.

The expense ratio is currently at 30.8% compared to 30.5% last year. DFI is currently 7.7 points over expense from last year largely due to BancOne. The reductions in staff that we have taken in 1999 should reduce our expenses in the year 2000.

EXHIBIT

BAILIE 11

During 1999 I have met with all of the agents and traveled with all staff members in Cincinnati, Columbus and Louisville territory. Averaging 15 to 20 agency calls per month.

Relationships with agents are very good. They are supporting our rate initiative. The Ohio Valley had the largest participation of MVI agents in the country.

Agency business plans were developed for all Cincinnati and Louisville agents. Approximately 50% of Columbus agents have plans. We need to expand this to the remainder of the region in year 2000.

Account management plans were put together for all accounts in the Cincinnati branches. Will expand to Indianapolis and Cleveland in the year 2000.

We are presently using Lotus Notes to record the frequency and quality of agency visits. This was not completed until late in the year.

Service: The Cincinnati branch has gone from 1300 outstanding endorsements to 200. We have successfully reduced the backlog and put service on track. Meetings were conducted, contests run and results closely monitored to ensure proper execution. Service was caught up by May of 1999.

Key to this gameplan was the assigning of a regional trainer to improve the quality and development of the entire CSD staff throughout the region.

A system was established to ensure that all employees have up-to-date performance reviews, goals and competency assessments. My direct reports receive semi-annual performance reviews. All employees have learning goals and development plans in place.

Retention has been very good. Only six people have left the Cincinnati branch. Two employees went into full-time motherhood, one moved to get married, two left to pursue a different career path and one left to another insurance company due to substandard performance.

Two minorities from the branch were promoted to other offices. There was one minority turnover in the Columbus branch. I had an excellent relationship with that practice leader, however, I probably could have done a better job of coaching.

The regional structure is firmly in place. Two regional meetings have been held since I have taken this position that have helped to clarify people's roles and responsibilities. Regional managers and branch and production leaders are working very well together.

Morale seems high which I believe is largely due to the support that has been given the staff. 360 degree feedback from the branch gave me marks between 8 - 8.8 out of max. 10, in 11 designated categories (far higher than I deserve, thus indicating morale is okay).

The branch is steadily increasing their involvement in the community. I am serving on the board of directors for Insuring the children - an organization supported by the insurance industry for abused children. The branch has formed a Reach Committee to address charity events for the branch. Food drives have been completed for the Free Store Food Bank and Cincinnati Baptist Church. Fun runs have been conducted for the Heart Association and MS. Christmas presents were obtained for the Brighton Center, etc. etc. etc.

Learning Goals:

I attended one day courses on strategic thinking, time management and financial management. I

have also joined a local board of directors for a non-profit to continue to hone my business and community skills.

Summary:

1999 accomplishments

- * Establishment of a regional structure
- * Turnaround of our CSD service
- * Establishment of training capabilities for CSD via regional trainer
- * The initiation of a technical insurance group
- * The establishment of account and agency management plans
- * Utilization of performance management and competency assessment process and system to monitor
- * Completed the claims reorganization
- * Put together the most populated Mountain View Indemnity cell in the Chubb organization
- * Exceeded region's new business goal for ER
- * Excellent results in the rate initiative and non-renewal distressed business

1999 Disappointments

- * Still need to get off of more distressed business
- * Turnover of minority manager in Columbus
- * Ineffective trip report system (system has been changed within the last two months with good results)

Ratings

Enter the overall levels of achievement for both the Business and Learning goals.

Overall Achievements:

Significant progress has been made in bringing the Ohio Valley Region into a very effectively working structure-it has really gelled. All branches produced strong results in standard commercial pricing improvement. MVI participation reflects our very strong market position with key producers in the territory. The region is well positioned for a return to profitability.

Overall Performance Score:

ES

Career Interests - Optional

Comment on any future interests you may have.

Career Interests:

Become the best regional manager in the Chubb organization, then become a Zonal Manager.
Possibly a Strategic position in the Home Office or an Overseas Assignment.

Approval Section

Does this Performance Review require Next Level approval?	No
Does this Performance Review require any additional approvers?	No



Name: Timothy J Szerlong

Date: 01/11/2000 07:14:27 PM

Name: Douglas W Baillie

Date: 01/12/2000 02:40:21 PM